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NEWS RELEASE

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HAWAII PUBLIC UTILITIES COMMISSION ESTABLISHES PUBLIC BENEFITS FUND TO PROMOTE ENERGY EFFICIENCY PROGRAMS

HONOLULU – The Hawaii Public Utilities Commission (PUC) today announced it will establish a Public Benefits Fund (PBF) to promote the development of programs and services that increase energy efficiency, reduce electricity consumption and demand, and ultimately decrease Hawaii's dependence on imported fossil fuels. This move will help lessen the need to build new power plants or expand existing ones.

Currently, each of the Hawaiian Electric companies (Hawaiian Electric Company, Hawaii Electric Light Company and Maui Electric Company) administers its own energy efficiency programs with money collected from the electric companies' customers on their monthly bills. By transferring responsibility for these programs to a PBF administrator, the PUC is removing the perceived conflict between a utility's desire to generate revenues and its motivation to implement energy-saving measures that decrease sales and defer the need for additional plant investments. Significantly, the PBF administrator may not expend more than ten per cent of the fund on program administration in any fiscal year.

"The Commission expects that transitioning energy efficiency programs to a public benefits fund administrator will facilitate the introduction of innovative and more cost-effective programs to the State," said Commission Chairman Carlito P. Caliboso. "This will result in greater customer program options, increased participation levels and higher overall energy savings."

The PUC's action is in keeping with Act 162, signed by Governor Linda Lingle in June 2006 as part of her Administration's "Energy for Tomorrow" initiative to encourage the development and usage of renewable energy sources, including wind, solar, geothermal, biofuels and hydrogen. Act 162 authorized the PUC to determine if the energy efficiency programs would be better managed through an independent organization, rather than run by the electric companies.

"I want to commend the Public Utilities Commission for sharing our Administration's vision of true energy conservation," said Governor Lingle. "This will help ensure Hawai'i continues to focus on establishing comprehensive energy efficiency programs that decrease our dependence on imported oil and provide a more secure energy and economic future."

The transfer of energy-saving programs from utility companies to the PBF is scheduled to occur by January 2009. During this transition period, the utilities will continue overseeing their programs under the PUC's regulatory supervision.

The PUC filed its Decision and Order on February 13, 2007. For more information, access Decision and Order No. 23258 on the Commission's Web site at www.hawaii.gov/budget/puc/dockets/energy.htm.

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